

TRANSMITTAL SLIP

TO:

AC/IB

ROOM NO. BUILDING

REMARKS:

STAT

(info) *Loc*
(file) *BAO 6/5/67*

FROM:

AC/BSO

ROOM NO. BUILDING

EXTENSION

FORM NO. 241
1 FEB 55REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

1 JUN 1967

Mr. Andrew E. Ruddock, Director
Bureau of Retirement and Insurance
U. S. Civil Service Commission
Washington, D. C. 20415

Dear Mr. Ruddock:

I have been authorized by the Board of Directors, Government Employees' Health Association, Inc., to respond to your letter of 20 April 1967 and to set forth in this letter proposed changes in benefits and premiums which the Board is contemplating for our Association Benefit Plan for the forthcoming contract year.

Keeping in mind the specific details and spirit of your letter of 20 April with respect to benefit changes and rate increases, the Board has restricted this year's review to only critical areas in our Plan that need improvement. Specifically, the Board repeats approval to increase the daily hospital room and board rate from the present \$30 a day to \$40 a day and the present hospital room and board rate for maternity from the present \$20 a day to \$30 a day. Our underwriter has informed us that the increase to \$40 a day will require a bi-weekly net to carrier contract increase of \$1.22 room and board for family plan and \$0.19 for the increase in maternity coverage. The bi-weekly, net to carrier contract increase for room and board to \$40, single plan, will be \$0.47.

I should add that the Board experienced some uncertainty about the premium rate increases called for by these proposed benefit changes and asked me to include in this letter a request for permission to reduce the proposed premium increases and benefit changes at a later date. The Board's final decision must await additional information and analysis, and we trust that we can reserve the right to lower both our benefit proposals and rate increases set forth above at a later date even though it may occur beyond your 30 June and 31 August 1967 deadlines.

We are available for discussion of the contents of this letter as you may wish.

Very truly yours,


President

CC: Mr. Norman C. Conway (Mutual of Omaha)
Mr. Joseph E. Jones

Distribution:

0 & 1 - Addressee

2 - C/BSB; - AC/IB

OP/BSB

phd (1 June 1967)

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